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Alarmingly few wealth firms have more than handshake succession deals
By Rob Burgess
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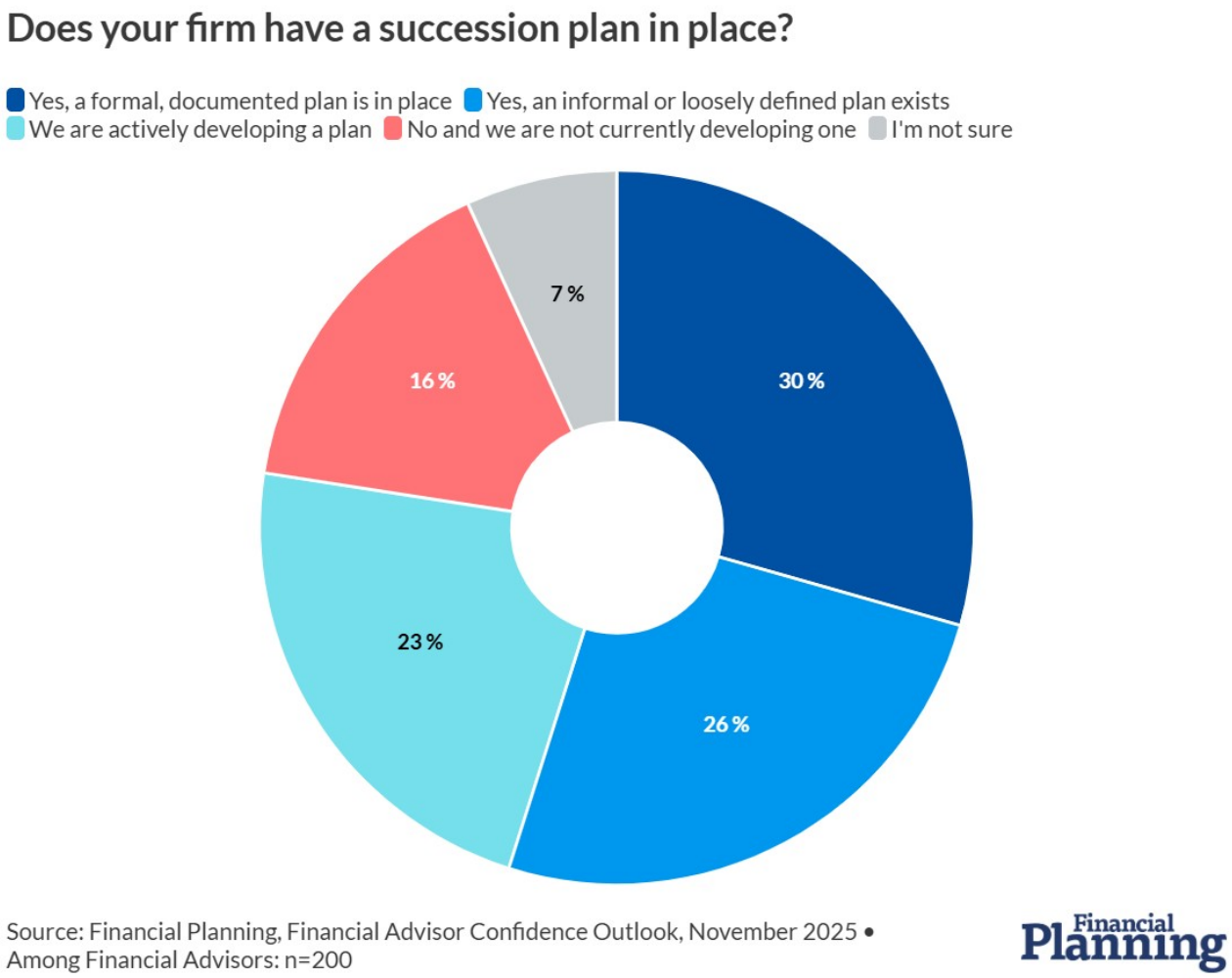
Building a practice from the ground up is an arduous process that takes grit and determination.

Despite this, few advisors have a written succession plan in place to ensure the longevity of that business into future generations.

In this month's Financial Advisor Confidence Outlook (FACO) research, Financial Planning asked hundreds of advisors their opinions on a range of topics.

Financial Planning's October Financial Advisor Confidence Outlook research found that less than a third of firms have formal, documented succession plans in place. Another 25% have informal plans that lack detail.


Does your firm have a succession plan in place?
Yes, a formal, documented plan is in place
Yes, an informal or loosely defined plan exists
We are actively developing a plan
No and we are not currently developing one
I'm not sure
30 %
26 %
23 %
16 %
7 %
Source: Financial Planning, Financial Advisor Confidence Outlook, November 2025 • Among Financial Advisors: n=200
Financial Planning

Experts warn that these informal understandings are rarely successfully implemented.

Why are so few advisors planning ahead?
Much like the old adage about the successful shoemaker who has holes in the soles of his own shoes, many advisors have devoted so much time serving others well that they fail to attend to their own business.

"Although financial advisors are adept at balancing numerous considerations, goals, risks and constraints, it often is more difficult to deal with their own personal business affairs," said Eric D. Weinstock, trusts and estates attorney, and a partner, at Pashman Stein Walder Hayden in Hackensack, New Jersey.

Most advisors delay succession planning because they equate it with retirement rather than strategy, said Renita Wolf, founder and CEO of Poe Wolf Partners in Colorado Springs, Colorado, who serves as a fractional chief exit officer helping founders and advisory firms plan successful successions.

"It's emotionally easier to focus on client portfolios than their own continuity risk," she said. "Many assume they'll have time to figure it out later until health, market or team dynamics force a transition."

How to build a succession plan

The first step to building a successful succession plan is to start early and seek structured guidance, leaning on firm resources. Many firms provide turnkey frameworks and support to advisors navigating succession from start to finish, said Nicole Schelkopf, financial advisor at Edward Jones in Schaumburg, Illinois.

For example, Schelkopf recently started a retirement transition program with her father, a 43-year veteran at Edward Jones. She said having numerous meetings before the transition officially began was vital.

"It helped me feel confident and allowed me to learn what is most important to each of the clients before our first meeting," she said.

It is also helpful to have a clear timeline and milestones for the transition, said Schelkopf.

"This ensures that the successor is involved in the business beforehand," she said. "Taking these steps helps ensure the process feels manageable rather than daunting for the retiring advisor."

Advisors should treat the firm like a client, said Wolf. A written plan should define ownership transition criteria, valuation benchmarks and client continuity protocols, she said.

"Start by assessing transferable value, leadership depth and operational readiness," she said. "Identify successors early and tie development to measurable milestones."

In his experience, John Franklin Wiley, principal at exit planning and business valuation firm Exit Factor in Scottsdale, Arizona, said there are two sides of the fence when it comes to succession planning.

On one side, Wiley said an owner needs to have a personal succession plan. On the other side, the company needs someone to come in and grade its exit readiness, he said. This is a third-party advisor who can point to a structured, systemic and measurable way to quantitatively and qualitatively measure exit readiness for the company.

At a minimum, advisors should have conversations with trusted, payrolled members of the company, said Wiley.

"Have a succession conversation at least once a year," he said. "Stop hiding it. Ten out of 10 business owners transition out of their business. Don't act like you

are not going to. Embrace the conversation and get everyone used to talking about succession. You will be better in the long run."